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U.S. Cattle on Feed

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 12.1 million head on January 1, 2008. The inventory was 1 percent above January 1, 2007 and 2 percent above January 1, 2006. This is the highest January 1 inventory since the series began in 1996. The inventory included 7.65 million steers and steer calves, up 1 percent from the previous year. This group accounted for 63 percent of the total inventory. Heifers and heifer calves accounted for 4.38 million head, up 2 percent from 2007.

Placements in feedlots during December totaled 1.70 million, 1 percent below 2007 and 10 percent below 2006. Net placements were 1.64 million head. During December, placements of cattle and calves weighing less than 600 pounds were 480,000, 600-699 pounds were 505,000, 700-799 pounds were 420,000 and 800 pounds and greater were 296,000.

Marketings of fed cattle during December totaled 1.65 million, 1 percent above 2007 but 4 percent below 2006. This is the second lowest fed cattle marketings for the month of December since the series began in 1996.

Other disappearance totaled 58,000 during December, 34 percent below 2007 and 36 percent below 2006.

January 1 Potato Stocks

Montana potato producers held 3.5 million cwt of potatoes in storage on January 1, 2008, up 6 percent from the previous year. This number represents 95 percent of the 2007 potato crop production.

The 13 major potato States held 238 million cwt of potatoes in storage January 1, 2008, up 5 percent from last year and 8 percent above January 1, 2006. Potatoes in storage account for 59 percent of the 2007 fall storage States' production, up 1 percentage point from last year. Klamath Basin stocks total 3.40 million cwt on January 1, 2008, unchanged from last year. Klamath Basin includes California and Klamath County, Oregon potato stocks.

Disappearance of 163 million cwt from the start of harvest to January 1 is down slightly from last year but up 6 percent from 2007. Shrink and loss, at 16.0 million cwt, is down 1 percent from the previous year but 7 percent above the same date in 2006.

Processors have used 87.7 million cwt of 2007 crop potatoes so far this season, down 4 percent from a year ago but 8 percent above 2 years ago. Idaho and Malheur County, Oregon total processing decreased 2 percent from a year ago, Maine's total processing was 8 percent below the same date in 2007, and Washington and the rest of Oregon total processing was down 6 percent from last season. Dehydrating usage accounts for 16.7 million cwt of the total processing, down 13 percent from last year but 7 percent above the same date in 2006.

Western States held 172 million cwt of potatoes in storage on January 1, up 10 percent from last year and 9 percent above 2006. Idaho's potato stocks are up 5 percent from last year, Washington's potato sheds held 27 percent more than last year, and Oregon's stocks increased 16 percent from last season. Montana's potato sheds held 6 percent more stocks than last year and California's potato stocks increased 7 percent from last season. Colorado's potato stocks declined 13 percent from last year.

Central States accounted for 51.9 million cwt of potato stocks on January 1, down 5 percent from last year but 6 percent above the same date in 2006. Wisconsin's potato stocks declined 5 percent from last year, North Dakotas's sheds held 17 percent less, and potato stocks in Minnesota are 1 percent below last season. Nebraska's potato stocks decreased 8 percent from the same date in 2007. Michigan's potato sheds held 17 percent more than a year ago.

Eastern States stored 13.2 million cwt of potatoes on January 1, down 12 percent from last year and 1 percent below January 1, 2007. Maine's potato sheds held 12 percent less than last year, while New York's potato stocks declined 14 percent from a year ago.

December 2007 Red Meat Production

Montana slaughter plants produced 1.5 million pounds, dressed weight, of red meat during December 2007, down 27 percent from the previous December, but up 7 percent from November 2007. Cattle slaughter totaled 1,900 head, down 600 head from a year ago. The average live weight, at 1,163 pounds, decreased 42 pounds from 2006.

During December there were 1,300 hogs slaughtered, down 400 head from a year ago. The average live weight, at 253 pounds, decreased 3 pounds from last year. December sheep slaughter in the state totaled 400 head, unchanged from December 2006. The average live weight increased 5 pounds from last year to 113 pounds.

Commercial red meat production for the United States totaled 4.06 billion pounds in December, up 5 percent from the 3.87 billion pounds produced in December 2006.

Beef production, at 2.06 billion pounds, was slightly above the previous year. Cattle slaughter totaled 2.65 million head, up 1 percent from December 2006. The average live weight was up 2 pounds from the previous year, at 1,302 pounds.

Veal production totaled 10.4 million pounds, 21 percent below December a year ago. Calf slaughter totaled 61,000 head, down 11 percent from December 2006. The average live weight was down 35 pounds from last year, at 289 pounds.

Pork production totaled 1.97 billion pounds, up 10 percent from the previous year. Hog kill totaled 9.69 million head, up 9 percent from December 2006. The average live weight was up 1 pound from the previous year, at 272 pounds.

Lamb and mutton production, at 15.4 million pounds, was down 1 percent from December 2006. Sheep slaughter totaled 229,100 head, 1 percent above last year. The average live weight was 135 pounds, down 1 pound from December a year ago.

January to December 2007 commercial red meat production was 48.7 billion pounds, up 2 percent from 2006. Accumulated beef production was up 1 percent from last year, veal was down 6 percent, pork was up 4 percent from last year, and lamb and mutton production was down 1 percent.

U.S. December Milk Production

Milk production in the 23 major States during December totaled 14.4 billion pounds, up 3.1 percent from December 2006. November revised production, at 13.8 billion pounds, was up 3.9 percent from November 2006. The November revision represented an increase of 13 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,719 pounds for December, 29 pounds above December 2006.

The number of milk cows on farms in the 23 major States was 8.38 million head, 107,000 head more than December 2006, and 14,000 head more than November 2007.

Milk production in the U.S. during the October - December quarter totaled 46.0 billion pounds, up 3.2 percent from the October - December quarter last year. The average number of milk cows in the U.S. during the quarter was 9.20 million head, 80,000 head more than the same period last year.

2007 Annual Crop Summary

Crop	Montana							US Production (000) Bu
	Year	Planted (000) Acres	Harvested (000) Acres	Yield Bu / Acre	Production (000) Bu	Season Avg. Price Dollars 1/	Value of Production (000) 1/	
Winter Wheat	2005	2,150	2,100	**45.0	94,500	$3.51	$331,695	1,499,129
	2006	1,950	1,920	43.0	82,560	$4.49	**$370,694	1,298,081
	2007	2,240	2,190	38.0	83,220	--	--	1,515,989
Durum Wheat	2005	590	585	28.0	16,380	$3.45	$56,511	101,105
	2006	400	395	17.0	6,715	$4.61	$30,956	53,475
	2007	480	475	24.0	11,400	--	--	71,686
Other Spring Wheat	2005	2,600	2,550	32.0	81,600	$3.80	$310,080	504,456
	2006	2,950	2,900	22.0	63,800	**$4.58	$292,204	460,480
	2007	2,450	2,400	23.0	55,200	--	--	479,047
All Wheat	2005	5,340	5,235	36.8	192,480	$3.63	$698,286	2,104,690
	2006	5,300	5,215	29.4	153,075	$4.54	$694,961	1,812,036
	2007	5,170	5,065	29.6	149,820	--	--	2,066,722
Barley	2005	900	700	56.0	39,200	$2.92	$114,464	211,896
	2006	770	620	50.0	31,000	$3.00	$93,000	180,165
	2007	900	720	44.0	31,680	--	--	211,825
Oats	2005	90	35	53.0	1,855	$1.63	$3,024	114,878
	2006	70	*24	46.0	*1,104	$2.22	$2,451	93,638
	2007	75	35	52.0	1,820	--	--	91,599
Corn for Grain 2/	2005	65	17	**148.0	2,516	$2.54	$6,391	11,114,082
	2006	65	18	146.0	2,628	$3.93	$9,198	10,534,868
	2007	84	38	145.0	5,510	--	--	13,073,893
		(000) Acres	(000) Acres	Tons	(000) Tons		(000)	(000) Tons
Corn for Silage	2005	--	46	**24.0	1,104	--	--	106,486
	2006	--	45	22.0	990	--	--	105,129
	2007	--	44	23.0	1,012	--	--	106,328
Sugar Beets	2005	53.9	49.9	22.9	1,143	$45.30	$51,778	27,433
	2006	53.6	48.5	**27.0	1,310	--	--	34,064
	2007	47.5	47.0	24.7	1,161	--	--	31,912
Alfalfa Hay 3/	2005	--	**1,750	2.20	3,850	$71.00	$273,350	76,149
	2006	--	1,550	2.10	3,255	$78.00	$253,890	72,006
	2007	--	1,650	2.30	3,795	--	--	72,575
Other Hay 3/	2005	--	1,250	1.60	**2,000	$68.00	**$136,000	74,868
	2006	--	710	1.50	1,065	$81.00	$86,265	70,330
	2007	--	900	1.50	1,350	--	--	77,729
All Hay 3/	2005	--	**3,000	1.95	**5,850	$71.00	$409,350	151,017
	2006	--	2,260	1.91	4,320	$78.00	$336,960	142,336
	2007	--	2,550	2.02	3,564	--	--	150,304
Sweet Cherries 4/5/	2005	--	--	*1.66	1,230	**$3,530.00	$4,165	250,830
	2006	--	--	3.20	2,400	$1,850.00	$1,071	294,160
	2007	--	--	**3.47	2,430	$1,520.00	$3,278	323,670
		(000) Acres	(000) Acres	Cwt	(000) Cwt		(000)	(000) Cwt
Fall Potatoes	2005	10.7	10.6	325	3,445	$9.15	$31,522	382,743
	2006	10.6	10.5	**335	3,518	$9.00	**$33,245	398,921
	2007	11.3	11.2	330	**3,696	--	--	409,082
All Dry Beans	2005	18.0	14.1	20.0	282	$18.60	$5,245	26,772
	2006	19.5	18.6	16.4	305	$20.50	$6,253	24,247
	2007	18.3	16.6	16.7	278	--	--	25,371
Pinto Beans	2005	12.0	10.0	23.9	239	--	--	12,601
	2006	10.7	10.5	22.3	234	--	--	9,618
	2007	8.5	8.4	22.8	192	--	--	11,631
Garbanzo Beans	2005	6.0	4.1	10.5	43	--	--	1,061
	2006	8.8	8.1	8.8	71	--	--	1,539
	2007	9.8	8.2	10.5	86	--	--	1,511
Lentils	2005	**150.0	**146.0	12.8	**1,869	*$9.54	**$17,830	5,163
	2006	142.0	134.0	*6.0	804	$10.00	$7,823	3,244
	2007	87.0	85.0	9.9	842	--	--	3,408
Dry Peas	2005	135.0	122.0	18.0	2,196	$4.80	$10,541	14,003
	2006	210.0	191.0	10.8	2,063	$6.64	**$12,667	13,203
	2007	**235.0	**217.0	17.0	**3,689	--	--	15,903
Austrian Winter Peas	2005	25.0	**13.0	**12.2	**159	$8.67	**$1,379	307
	2006	**32.0	12.0	9.2	110	*$7.93	$983	259
	2007	20.0	4.0	*6.5	26	--	--	127

1/ Season average price and value of production for 2007 are not yet available. 2/ Planted for all purposes. 3/ Price of baled hay. 4/ Total production. 5/ Value of utilized production –Not Available *Record Low **Record High

2007 Annual Oilseed Summary

Crop	Montana							US
	Year	Planted (000) Acres	Harvested Acres (000)	Yield Bu / Acre	Production (000) Bu	Season Avg. Price Dollars 1/	Value of Production (000) 1/	Production (000) Bu
Flaxseed	2005	55.0	54.0	17.0	918	$6.20	$5,692	19,695
	2006	35.0	33.0	9.0	297	$6.30	$1,871	11,019
	2007	21.0	20.0	9.0	180	--	--	--
		(000) Acres	(000) Acres	Lbs / Acre	(000) Lbs		(000)	(000) Lbs
Canola	2005	17.0	16.5	1,290	21,285	*9.00	**1,916	1,580,985
	2006	10.0	9.8	1,120	10,976	**11.70	*1,284	1,394,332
	2007	*8.0	*7.7	1,310	*10,087	--	--	--
Mustard Seed	2005	11.5	10.8	580	6,264	--	--	35,114
	2006	7.0	6.9	570	3,933	--	--	28,220
	2007	15.0	13.0	510	6,630	--	--	--
Safflower	2005	*30.0	29.0	**890	25,810	$14.00	$3,613	218,995
	2006	39.0	37.0	750	27,750	$13.50	$3,746	196,955
	2007	38.0	36.5	830	30,295	--	--	--
Sunflower	2005	6.8	6.4	1,150	**7,360	--	--	4,018,355
	2006	3.6	3.5	**1,278	4,474	--	--	2,143,613
	2007	2.6	2.5	1,200	3,000	--	--	2,888,555

1/ Season average price and value of production for 2007 are not yet available. –Not Available *Record Low **Record High

World Ag Supply and Demand Estimates

Projected U.S. wheat ending stocks for 2007/08 are raised this month 12 million bushels due to lower projected domestic use. At 292 million bushels, this year's ending stocks are forecast to be the lowest in 60 years. Feed and residual use is projected 10 million bushels lower for 2007/08 as December 1 stocks, reported in January Grain Stocks, indicate lower-than- expected feed and residual use during September- November. Seed use is reduced 2 million bushels based on lower-than-expected hard red winter wheat planted area as reported in Winter Wheat Seedings. The season-average farm price is projected at $6.45 to $6.85 per bushel, 25 cents higher on each end of the range, reflecting strong cash and futures prices and lower-than-expected hard red winter wheat seedings. The projected range is well above the record of $4.55 per bushel in 1995/96.

Global 2007/08 wheat production is raised 0.7 million tons this month. Production is raised 1.4 million tons for Russia, but lowered 0.7 million tons for EU-27. Lower EU-27 output reflects reductions in several countries in northwestern Europe and Scandinavia. Global imports for 2007/08 are raised slightly with the biggest increase for Pakistan, up 0.5 million tons reflecting shipments to date and recently announced tenders. Exports by Pakistan are raised 0.4 million tons reflecting larger- than-expected shipments of wheat flour to neighboring countries. Due to the implementation of new import taxes and cancellation of value-added tax (VAT) rebates, China's wheat exports are projected 0.5 million tons lower.

World wheat feeding for 2007/08 is raised 0.2 million tons with increases for FSU-12 and Australia more than offsetting reductions for EU-27 and the United States. Wheat feeding is increased 0.5 million tons and 0.3 million tons, respectively, for Russia and Ukraine. Wheat feeding is lowered 0.5 million tons for EU-27. More than offsetting the reduction in EU-27 wheat feeding is an expected increase in coarse grain feed use with higher projected corn and sorghum imports and a larger-than-expected mixed grains crop. Global wheat ending stocks for 2007/08 are raised 0.9 million tons to 110.9 million.

U.S. corn ending stocks for 2007/08 are reduced 359 million bushels this month based on lower estimated production and increased feed and residual use. Corn supplies for 2007/08 are lowered 94 million bushels based on lower estimated production. Feed and residual use is raised 300 million bushels based on September-November disappearance as indicated by December 1 stocks. Projected food, seed, and industrial use is reduced 15 million bushels in line with lower-than-expected shipments of sweeteners and starch during September-November. The season-average farm price for corn is projected at $3.70 to $4.30 per bushel, up 35 cents on both ends of the range based on the sharp rise in both cash and futures prices that has been sustained during recent weeks.

Sorghum supplies for 2007/08 are lowered 10 million bushels based on lower production. Sorghum exports for 2007/08 are projected 10 million bushels higher based on the strong pace of shipments and strong EU-27 demand. Feed and residual use is lowered 5 million bushels. With the reduction in supplies, ending stocks are projected 15 million bushels lower. The sorghum season-average price is projected 40 cents higher on each end of the range to $3.60 to $4.20 per bushel.

Barley feed and residual is projected 5 million bushels higher based on September-November disappearance as indicated by December 1 stocks. Food, seed, and industrial use is lowered an offsetting 5 million bushels. The barley price projection is raised 10 cents on each end of the range to $3.80 to $4.40 per bushel. The projected oats price range is raised 10 cents on each end of the range to $2.20 to $2.80 per bushel. Farm prices for corn, sorghum, and barley are all projected at record levels.

World coarse grain supplies for 2007/08 are projected 1.3 million tons lower this month despite an increase of 1.4 million tons in beginning stocks. Lower estimates for corn production in the United States and barley production in Russia more than offset higher coarse grain production in EU-27. The 2007/08 coarse grain carryin is raised on upward revisions in 2006/07 corn imports for Brazil, Iran, and Peru and barley imports for Jordan. Global 2007/08 corn production is lowered 2.6 million tons mostly reflecting a reduction in the United States. Global barley production is lowered 0.8 million tons mostly on a reduction in Russia output. Partly offsetting are increases for Argentina sorghum and EU- 27 corn, barley, oats, and mixed grains. EU-27 rye production, however, is lowered 0.3 million tons.

Global coarse grains imports and exports for 2007/08 are both raised this month. Corn and sorghum imports are raised 0.5 million tons and 0.2 million tons, respectively, for EU-27 reflecting strong feeding demand. Partly offsetting are import reductions of 0.3 million tons in corn for Canada and 0.1 million tons in barley for Israel. Corn exports are raised 0.5 million tons for Brazil and 0.2 million tons for Canada. Partly offsetting is a reduction of 0.5 million tons for China corn exports. World corn feeding is projected 7.7 million tons higher, mostly reflecting higher projected corn feed and residual use in the United States. Corn and sorghum feeding are raised 0.6 million tons and 0.2 million tons, respectively, for EU-27. World coarse grains ending stocks fall with a 7.7-million-ton reduction in world corn ending stocks driven by lower projected carryout in the United States.

U.S. oilseed production for 2007/08 is estimated at 80.0 million tons, down 0.1 million tons from last month, and 16.6 million tons below last year's record. Small reductions for soybean and canola production were offset by increases for sunflower seed, cottonseed, and peanuts. Soybean production is estimated at 2.585 billion bushels, down 9 million bushels from last month based on a slightly lower yield. The soybean yield is estimated at 41.2 bushels per acre. Soybean exports and crush projections are unchanged from last month. Soybean stocks are projected at 175 million bushels, down 10 million from last month. If realized, stocks would be at the lowest level since 2003/04. Soybean oil stocks are projected higher this month reflecting increased production due to a higher extraction rate. (continued on back page)

World Ag Supply and Demand Estimates (continued from page three)

The U.S. season-average soybean price range for 2007/08 is projected at a record-high $9.90 to $10.90 per bushel, up 65 cents on both ends of the range based on the sharp rise in cash and futures prices in recent weeks. Soybean oil prices are forecast at 45.5 to 49.5 cents per pound compared with 41 to 45 cents last month. Soybean meal prices are projected at $305 to $335 per short ton compared with $265 to $295 last month.

Global oilseed production for 2007/08 is projected at a record 389.7 million tons, down 1.6 million from last month. Foreign production is projected at 309.7 million tons, down 1.5 million. Global soybean production accounts for most of the change, projected down 1.3 million tons, at 220.3 million tons. Brazil's soybean crop is reduced 1.5 million tons to 60.5 million tons. Harvested area is reduced 0.5 million hectares reflecting recent Brazilian government surveys. Soybean production for Paraguay is raised 0.5 million tons to a record 7 million tons based on an increase in projected area. Foreign sunflower seed and cottonseed production are reduced this month. Argentina's sunflower seed crop is reduced 0.2 million tons due to lower projected area. Dry conditions during the planting season prevented plantings from reaching earlier projections. Other changes include lower cottonseed production estimates for China and Pakistan, and increased prospects for cottonseed production for India.

The forecast for total 2008 U.S. meat production is raised reflecting higher beef and pork production. Broiler and turkey production forecasts are unchanged. Beef production is raised in 2008 as higher cattle on feed inventories on December 1 are expected to result in stronger marketings during the first part of 2008. However, higher feed costs could limit weight gains through much of 2008. The Cattle report, to be released February 1, will provide an indication of the availability of cattle outside feedlots and of producer intentions for herd expansion this year. The Quarterly Hogs and Pigs report, released December 27, resulted in an expanded forecast of 2008 pork production. Increased sows farrowing in late 2007 and stronger growth in pigs per litter resulted in higher pig crops. These large pig crops in second-half 2007 are expected to result in higher slaughter in the first half of 2008. Second-half production in 2008 is also increased based upon expected gains in pigs per litter and producer farrowing intentions. However, increased feed prices are expected to limit weight gains. Meat production forecasts for 2007 are increased slightly to reflect estimated December meat production.

Meat export forecasts for 2007 are raised reflecting strong October trade data and expectations of continued strength in a number of export markets. Pork and broiler export forecasts for 2008 are raised, but beef and turkey exports are unchanged.

Forecasts for 2008 cattle prices are raised because fed cattle supplies are expected to remain tight during the year. Hog price forecasts for 2008 are reduced on expanded supplies of hogs. The broiler price forecast for 2008 is fractionally higher as recent price strength carries into first quarter 2008. Forecast egg prices are increased through the first half of the year on strong demand and slow production response to record high prices.

Forecasts for 2008 milk production are lowered as higher forecast feed prices are expected to limit growth in cow numbers and gains in milk per cow. The milk production forecast for 2007 is increased slightly as milk per cow in the fourth quarter continues to recover from weakness earlier in the year. Ending stocks for 2007 on a fat basis are unchanged from last month, but skim solids stocks are raised because nonfat dry milk (NDM)stocks have remained higher than expected.

For 2008, the Class III price forecast is unchanged from last month. Cheese prices are forecast fractionally higher as demand for cheese is expected to be firm. The Class IV price for 2008 is forecast lower. The price forecasts for butter and NDM are reduced as inventories of those products are large. The all milk price forecast for 2008 is lowered slightly to $17.90 to $18.70 per cwt. The 2007 all milk price is estimated at $19.15.

Wheat: Supply, Disappearance, and Price, United States, 1994-2007

Year Beginning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Beginning Stocks	Production	Imports 1/	Total	Domestic Use: Food	Seed	Feed 2/	Total	Exports 1/	Total Disappearance		
	-- Million Bushels --											$
1994	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45
1995	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002	777	1,606	81	2,464	919	84	119	1,122	850	1,972	491	3.56
2003	491	2,345	63	2,899	912	80	203	1,194	1,158	2,353	546	3.40
2004	546	2,158	71	2,775	910	78	182	1,169	1,066	2,235	540	3.40
2005	540	2,105	81	2,726	915	78	160	1,152	1,003	2,155	571	3.42
2006	571	1,812	122	2,505	933	81	125	1,140	909	2,049	456	4.26
2007 ...... 3/	456	2,067	90	2,613	945	86	115	1,146	1,175	2,321	292	6.45-6.85

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary.
SOURCE: World Agricultural Supply and Demand Estimates, January 11, 2008--ERS. Totals may not add due to independent rounding.

COMING IN THE NEXT REPORTER

- Egg Production
- Ag Prices Received
- Private Grazing Fee Rates
- Cattle Inventory
- Sheep & Lambs Inventory
- Wool & Mohair Production
- Farms & Land in Farms

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